



**Advantage Illinois** will accelerate investments and ease the credit crunch for small businesses, thanks to more than \$78 million from the federal State Small Business Credit Initiative (SSBCI) of the Small Business Jobs Act of 2010. **Advantage Illinois** consists of multiple programs to encourage institutional lending to small businesses, as well as a Venture Fund to leverage private venture capital in start-ups and high-growth sectors. Some small businesses may also receive **Advantage Illinois** financing as part of a business assistance package. The **Advantage Illinois** program should generate a minimum of at least \$10 in new private lending for every \$1 of federal funding, meaning at least \$800 million in private dollars pumped into the Illinois economy to grow the small business sector.

## Institutional Lending

### Capital Access Program (CAP)

- Reduces amount of capital lenders need to establish loan reserves
- Mitigates lender risk with minimal administrative/servicing burden
- Creates a pool which offsets shortfalls remaining after lenders liquidate individual loans
- Helps finance larger projects now that the maximum loan size has been increased to \$1M
- Helps borrowers qualify for loans for which they wouldn't normally be eligible

### Participation Loan Program (PLP)

- Mitigates lender risk since DCEO purchases part of the loan and takes a subordinate position to lender
- Provides borrowers with a lower interest rate when lender and DCEO rates are combined
- Increases DCEO support per FTE to \$25K-\$65K
- Helps borrowers qualify for loans for which they wouldn't normally be eligible

### Collateral Support Program

- Mitigates lender risk through additional cash collateral on deposit with lender
- Increases lender's deposit base as DCEO provides funds under same rates and terms as other normal bank clients
- Supplements borrower's pledged collateral when its own is deemed insufficient by lender
- Helps borrowers qualify for loans for which they wouldn't normally be eligible

## Venture Capital

### Invest Illinois Venture Fund (IIVF)

- Speeds commercialization of research discoveries in high-growth sectors
- Helps small business attract private investment
- Increases number of viable start-ups in Illinois
- Help businesses commercialize research discoveries faster

***"Small businesses are the backbone of Illinois' economy, and the Great Recession was tough on them. Advantage Illinois will be a shot in the arm to our small businesses. By working with the state's lending community and venture capitalists, we'll get entrepreneurs and small businesses expanding and creating new jobs at a faster rate."***

*Governor Pat Quinn*

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